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 FM BOB OAKLEY //HAKTO 07//

TO GENERAL SCORCROFT

UNCLAS VIA BLACK PATCH

HAKTO 07

TO: GENERAL SCORCROFT
 FROM: BOB OAKLEY

1. THE FOLLOWING DRAFT STATEMENT INCLUDES THE THEMES SUGGESTED BY HAK, AS EMBELLISHED BY ROY ATHERTON, PETER AND MYSELF. HAK AND ALL OF US HERE ARE DELIGHTED THAT THE WHITE HOUSE IS SEIZING THE INITIATIVE WITH A STATEMENT. HAK TOLD US THIS MORNING HE INTENDS TO USE THE SAME THEMES IN HIS TOAST TONIGHT AND HIS SPEECH TO THE JOINT COMMISSION TOMORROW. HE WILL FOLLOW-UP AT THE PRESS CONFERENCE. TO THE EXTENT POSSIBLE, NESSEN AND THE STATE SPOKESMAN SHOULD DUCK Q'S AND A'S UNTIL HAK HAS HELD HIS PRESS CONFERENCE.

2. BEGIN TEXT:

DRAFT STATEMENT FOR RON NESSEN

THE WASHINGTON POST EDITORIAL -- AND SEVERAL OTHER COMMENTARIES WHICH HAVE APPEARED IN THE MEDIA SINCE THE RELEASE OF THE REPORT OF THE HUMPHREY SUBCOMMITTEE -- SUGGEST THAT THE UNITED STATES INVOLVEMENT WITH IRAN IS A ONE-WAY STREET RUNNING AGAINST OUR NATIONAL INTERESTS, THAT IT CARRIES WITH IT THE DANGER OF DRAGGING THE UNITED STATES INTO A WAR AGAINST OUR WILL, AND THAT OUR CLOSE RELATIONSHIP SHOULD THEREFORE BE DILUTED IF NOT TERMINATED. IT IS THE VIEW OF THE PRESIDENT THAT NOTHING COULD BE FURTHER FROM THE TRUTH THAN THIS TOPSY-TURVY VIEW OF OUR POLICY, AND NOTHING COULD BE FURTHER FROM THE PRESIDENT'S

***** WHSR COMMENT *****

SCORCROFT, MCFARLANE, RUDMAN, TROIA, SECFILE

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*****U N C L A S S I F I E D*****S COPY

***** U N C L A S S I F I E D *****

MIND THAN A WEAKENING OF OUR RELATIONSHIP WITH IRAN.
 OUR OVERALL RELATIONSHIP IS OF FUNDAMENTAL IMPORTANCE
 TO THE UNITED STATES AND TO THE INTERESTS OF THE ENTIRE
 FREE WORLD, INVOLVING CLOSE COOPERATION IN ALL FIELDS,
 IT IS A TWO-WAY STREET LEADING TO GREAT MUTUAL BENEFIT FOR
 THE UNITED STATES AND IRAN. AN IMPORTANT ELEMENT OF THIS
 RELATIONSHIP IS THAT OF MILITARY SUPPLY, BUT IT IS MERELY
 ONE PART OF AN INTEGRATED WHOLE, IT CANNOT BE SEPARATED
 OUT FOR ATTACK OR TERMINATION WITHOUT AUTOMATICALLY CALLING
 INTO QUESTION THE FUNDAMENTAL, OVERALL RELATIONSHIP.
 IN ORDER TO UNDERSTAND THE SIGNIFICANCE OF THIS
 RELATIONSHIP, ONE MUST LOOK FIRST AT IRAN'S STRATEGIC

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IMPORTANCE, BORDERING THE SOVIET UNION TO THE NORTH/
 TURKEY, IRAQ AND THE PERSIAN GULF--SO VITAL TO THE
 WORLD'S ENERGY NEEDS--TO THE WEST; AND AFGHANISTAN AND
 PAKISTAN TO THE EAST, CONSIDER THE VALUE TO THE UNITED
 STATES OF HAVING A STRONG FRIEND AND ALLY IN THAT LOCA-
 TION, SERVING AS A FORCE FOR STABILITY AND MODERATION,
 LOOK AT THE ECONOMIC IMPORTANCE OF IRAN, WITH WHOM THE
 UNITED STATES WILL HAVE A TWO-WAY VOLUME OF TRADE DURING
 THE PERIOD 1975-1980 OF SOME 26 BILLION DOLLARS EXCLUSIVE
 OF BOTH THE OIL AND ARMS, WHICH ATTRACT SO MUCH PUBLIC
 ATTENTION, IRAN'S POLICY AND PRACTICE HAS BEEN TO KEEP
 THE OIL FLOWING TO THE UNITED STATES AND OTHER NATIONS
 OF THE FREE WORLD RATHER THAN PARTICIPATING IN AN
 EMBARGO, LOOK AT THE POLITICAL IMPORTANCE OF IRAN, A
 COUNTRY WHOSE FOREIGN POLICIES PARALLEL OUR OWN ON ALMOST
 EVERY MAJOR ISSUE, WHOSE ACTIONS IN THE GULF, IN SOUTH
 ASIA AND IN THE MIDDLE EAST HAVE INCREASED THE CHANCES
 FOR STABILITY IN THESE REGIONS, IRAN HAS GOOD RELATIONS
 WITH ISRAEL AS WELL AS THE MODERATE ARAB REGIMES AND WITH
 INDIA AND AFGHANISTAN AS WELL AS PAKISTAN, ITS POLICY IS
 ONE OF TRYING TO PROMOTE PEACE AND HARMONY AMONG ITS
 NEIGHBORS, IT HAS MADE LIBERAL USE OF ITS OIL REVENUES
 TO THIS END BY AIDING THE ECONOMIC DEVELOPMENT OF
 POORER NATIONS.

THE UNITED STATES HAS LONG RECOGNIZED THE IMPORTANCE

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***** U N C L A S S I F I E D *****

OF A CLOSE RELATIONSHIP WITH IRAN, THERE IS NOTHING NEW OR SECRETIVE ABOUT IT. IMMEDIATELY AFTER WORLD WAR II WE CAME TO IRAN'S ASSISTANCE IN FORCING THE SOVIET UNION TO END ITS MILITARY OCCUPATION IN THE NORTH, AND THEN HELPING IT BUILD THE ECONOMIC AND MILITARY STRENGTH NEEDED TO PROTECT ITSELF AND REMAIN PART OF THE FREE WORLD DURING THE PERIOD OF THE COLD WAR. OUR FORMAL COMMITMENT TO HELP IRAN IMPLEMENT THE PRINCIPLE OF SELF-DEFENSE BEGAN WITH THE MILITARY ASSISTANCE AGREEMENT OF 1950, AN AGREEMENT SUPPORTED BY ANNUAL CONGRESSIONAL APPROPRIATIONS OVER A PERIOD OF TWENTY YEARS.

BY 1969, WHEN PRESIDENT NIXON DECLARED AT GUAM THAT THE UNITED STATES WOULD HENCEFORTH EXPECT ITS ALLIES TO ASSUME GREATER REGIONAL SECURITY RESPONSIBILITIES, IRAN WAS NOT ONLY WILLING TO DO SO BUT ABLE TO ASSUME THE FINANCIAL RESPONSIBILITY FOR IT. FOLLOWING THE BRITISH WITHDRAWAL FROM THE GULF IN 1971, IRAN AND SAUDI ARABIA ASSUMED THE MAJOR RESPONSIBILITY FOR MAINTAINING STABILITY AND MODERATION IN THE REGION, AND FOR MAINTAINING THE ALL-IMPORTANT ACCESS OF THE FREE WORLD TO THE IMMENSE RESERVES OF OIL AND NATURAL GAS. THE UNITED STATES HAS NOT HAD TO ASSUME THIS RESPONSIBILITY, HOWEVER, IN KEEPING WITH THE GUAM DOCTRINE AND WITH OUR CLEAR SELF-INTEREST, WE HAVE A

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DEFINITE RESPONSIBILITY TO HELP OUR FRIENDS AND ALLIES HELP THEMSELVES.

IN OUR VIEW IT WOULD BE FOOLHARDY TO RENOUNCE OR WEAKEN OUR COMMITMENT TO A VALUABLE ALLY OF LONG-STANDING SUCH AS IRAN, AN ALLY WILLING AND ABLE TO LOOK AFTER ITSELF, JUST BECAUSE IT IS BUYING THE MILITARY EQUIPMENT AND TRAINING IT NEEDS FROM THE UNITED STATES. IN OUR VIEW, THE GREATER IRAN'S OWN CAPACITY FOR SELF-DEFENSE, THE LESS THE LIKELIHOOD THAT THE UNITED STATES MIGHT BECOME INVOLVED MILITARILY IN THAT PART OF THE WORLD. MOREOVER, IRAN HAS USED ITS MILITARY, AS WELL AS ITS ECONOMIC STRENGTH, WISELY. IT HAS AVOIDED THE TEMPTATIONS TO WHICH OTHERS HAVE SUCCEEDED.

THE PRESENCE OF AMERICAN MILITARY AND CIVILIAN PERSONNEL DOES NOT MAKE US A HOSTAGE TO IRAN IN THE EVENT OF WAR, AS SOME HAVE INSINUATED. IRAN HAS ALWAYS STRONGLY OPPOSED THE

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PARTICIPATING OF AMERICAN PERSONNEL IN IRANIAN MILITARY OPERATIONS, AS THE SENATE SUBCOMMITTEE REPORT POINTS OUT, IN RECENTLY ASSISTING IRAN TO PUT DOWN A RADICAL REBELLION, THE IRANIAN ARMED FORCES NEITHER WANTED, NEEDED NOR USED AMERICAN MILITARY OR CIVILIAN PERSONNEL. UNITED STATES MILITARY PERSONNEL IN IRAN ARE UNDER STRICT ORDERS NOT TO BECOME INVOLVED, SHOULD THERE BE A CONFLICT, AND THE CONTRACTS OF AMERICAN CIVILIANS ASSISTING THE IRANIAN MILITARY MAKE PLAIN THAT THEY WILL NOT IN ANY WAY BECOME INVOLVED SHOULD THERE BE HOSTILITIES. THUS, THERE IS NOTHING IN THIS ASPECT OF OUR RELATIONSHIP WHICH IMPLIES ANY SUCH COMMITMENT BY THE UNITED STATES.

FINALLY, OUR ARMS CONTRACTS WITH IRAN HAVE NOT BEEN MADE IN SECRET NOR HAVE THEY BEEN MADE WITHOUT THOROUGH REVIEW BY THE HIGHEST AUTHORITIES OF THE UNITED STATES GOVERNMENT. EVERY MAJOR SALE OF WEAPONS HAS BEEN MADE PUBLIC AND HAS BEEN SENT TO CONGRESS AS REQUIRED BY LAW. IN ADDITION TO REVIEWING EACH MAJOR ARMS TRANSACTION, THE ADMINISTRATION HAS HAD PERIODIC REVIEWS, SOME FORMAL AND SOME NOT, OF BOTH OUR ARMS TRANSFER POLICY AND OUR POLICY TOWARD THE GULF OVER THE PAST FOUR YEARS. WE HAVE FOUND NO REASON TO CHANGE OUR POLICY OF SUPPORT FOR IRAN.

OUR CLOSE FRIENDSHIP WITH IRAN IS ONE OF THE SUCCESSSES OF AMERICAN FOREIGN POLICY. IT GIVES US A REASON TO BE PROUD RATHER THAN GROUNDS FOR APPREHENSION. THE PRESIDENT HAS SENT SECRETARY KISSINGER TO IRAN NOT ONLY TO ATTEND AN IMPORTANT MEETING OF THE UNITED STATES-IRANIAN JOINT COMMISSION FOR ECONOMIC COOPERATION, BUT ALSO TO TELL THE SHAH OF THE CONTINUING STRONG BACKING HIS NATION ENJOYS FROM THIS ADMINISTRATION AND OF THE PRESIDENT'S DETERMINATION TO MAKE EVERY EFFORT TO SUSTAIN AND STRENGTHEN OUR RELATIONSHIP WITH IRAN. THIS RELATIONSHIP IS IN THE INTEREST OF THE UNITED STATES, OF THE FREE WORLD, AND OF WORLD PEACE. THE PRESIDENT WILL NOT BE DEJECTED FROM IT.

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